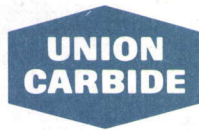


File ACT/037/046



UNION CARBIDE CORPORATION  
METALS DIVISION  
LA SAL, UTAH 84530



January 4, 1984

Pam Grubaugh-Littig  
State of Utah  
Oil, Gas, and Mining  
4241 State Office Building  
Salt Lake City, Utah 84114

DIVISION OF  
OIL, GAS & MINING

Re: Bond estimate, Redd Block 1V- ACT/037/046

Dear Pam:

In response to your October 31, 1983 letter and after our phone conversations, we are completely re-evaluating our permit acreage and estimated reclamation costs.

Our 1979 bond estimate assumed the Uranium market would continue strong and mining would be progressing in 1980. But, due to the slump beginning in late 1980 the Redd Block 1V Mine has been placed on hold. Union Carbide currently does not have any plans to reopen the mine for the next five years although, this situation could change at any time.

Therefore, enclosed you will find a bond estimate covering only the area that has been disturbed, approximately four acres, with no provisions for future expansion. This bond estimate was made for a five year period or if a decision is made to reopen the mine, a new estimate will be submitted.

Sincerely,

Bruce A. Greene  
Mine Superintendent

BAG/bag